

Effect of Exception to Ballot Question Committee Reporting for Contributions to PACs

Hypotheticals – Organizations Buy Services to Support or Oppose a Ballot Question in Consultation with PAC (the Principal PAC)

Purchases Made	How purchase is reported
In consultation with the Principal PAC, Advocacy Group A purchases \$20,000 in TV advertising	<ul style="list-style-type: none"> • Principal PAC reports receiving an in-kind contribution of TV advertising from Advocacy Group A with a value of \$20,000 • Advocacy Group A does not qualify as a BQC because it made a contribution to the PAC
In consultation with the Principal PAC, Labor Union L purchases a mailing for \$10,000	<ul style="list-style-type: none"> • Principal PAC reports receiving an in-kind contribution of the mailing from Labor Union L with a value of \$10,000 • Organization A does not qualify as a BQC because it made a contribution to the PAC

Advantages of Exception for Contributors to PACs

- More convenient for occasional spenders to be listed as a contributor by the recipient PAC than for the spender to be required to register and file reports
- Single PAC report provides the public with a broader view of spending to influence election (so, there are fewer PAC reports for public to examine)

Disadvantages of Exception for Contributors to PACs

- Because payments are listed as in-kind contributions (rather than as expenditures), they are not included in aggregate reports of total spending in support or opposition to a ballot question
- If members of the public want to know about specific expenditures (e.g., how much did TV ad cost the ABC Corp.), they may not know may not know that they need to look for the ABC Corp.'s payment as an in-kind contribution to a PAC.

21A MRSA § 1056-B. Ballot question committees

A person not defined as a political action committee who receives contributions or makes expenditures, other than by contribution to a political action committee, aggregating in excess of \$5,000 for the purpose of initiating or influencing a campaign as defined by section 1052, subsection 1, shall file reports with the commission in accordance with this section. For the purposes of this section, "campaign" does not include activities to influence the nomination or election of a candidate. Within 7 days of receiving contributions or making expenditures that exceed \$5,000, the person shall register with the commission as a ballot question committee. For the purposes of this section, expenditures include paid staff time spent for the purpose of initiating or influencing a campaign. The commission must prescribe forms for the registration, and the forms must include specification of a treasurer for the committee, any other principal officers and all individuals who are the primary fund-raisers and decision makers for the committee.

1. Filing requirements. A report required by this section must be filed with the commission according to the reporting schedule in section 1059. After completing all financial activity, the committee shall terminate its campaign finance reporting in the same manner provided in section 1061. The committee shall file each report required by this section through an electronic filing system developed by the commission unless granted a waiver under section 1059, subsection 5.

2. Content. A report must contain an itemized account of each expenditure made to and contribution received from a single source aggregating in excess of \$100 in any election; the date of each contribution; the date and purpose of each expenditure; the name and address of each contributor, payee or creditor; and the occupation and principal place of business, if any, for any person who has made contributions exceeding \$100 in the aggregate. The filer is required to report only those contributions made to the filer for the purpose of initiating or influencing a campaign and only those expenditures made for those purposes. The definitions of "contribution" and "expenditure" in section 1052, subsections 3 and 4, respectively, apply to persons required to file ballot question reports.

2.A. Contributions. For the purposes of this section, "contribution" includes, but is not limited to:

- A. Funds that the contributor specified were given in connection with a campaign;
- B. Funds provided in response to a solicitation that would lead the contributor to believe that the funds would be used specifically for the purpose of initiating or influencing a campaign;
- C. Funds that can reasonably be determined to have been provided by the contributor for the purpose of initiating or influencing a campaign when viewed in the context of the contribution and the recipient's activities regarding a campaign; and
- D. Funds or transfers from the general treasury of an organization filing a ballot question report.

3. Forms. A report required by this section must be on a form prescribed and prepared by the commission. A person filing this report may use additional pages if necessary, but the pages must be the same size as the pages of the form. ...